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The Work of the Farm Security Administration

UNITED STATES
DEPARTMENT OF AGRICULTURE
FARM SECURITY ADMINISTRATION
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THE WORK OF THE FARM SECURITY ADMINISTRATION

The Farm Security Administration was created to help needy and low-income farm families to become permanently self-supporting. Since 1935 it has helped more than 1,000,000 families—many of them from the relief rolls—to get back on their feet.

Many of these families had been ruined by drought or flood. Others were the victims of poor farming practices, worn-out land, unsound tenure systems, or an overwhelming burden of debt. None of them could get adequate credit from the banks or the other ordinary lending agencies. Most of these families would have been permanently dependent on relief if the Government had not helped them to get a new start.

The Farm Security Administration provides loans of various types to farm families who cannot get credit on reasonable terms anywhere else. Every loan is accompanied by guidance in sound farming methods, to make sure that the money is used to the best advantage.

By January 1, 1939, the Farm Security Administration had loaned nearly \$250,000,000. Although most of these loans will not be due for 3 or 4 years, about \$75,000,000 already has been repaid into the Federal Treasury.

Here are the different kinds of help which the Farm Security Administration offers:

1. Standard Rehabilitation Loans

These loans are made to farmers who need seed, tools, livestock, and other equipment necessary to carry on farming operations, and who cannot get adequate credit elsewhere. Every applicant must have land which will support his

family and produce enough income to repay the loan. If he does not own the farm, he must have a satisfactory lease or purchase contract.

Standard loans are repayable over a period of from 1 to 5 years, at 5-percent interest. The borrower signs a note for the amount of the loan, which is secured by a chattel mortgage on livestock, machinery, and crops. Each borrower agrees to keep businesslike records and to follow a sound farm- and home-management plan, which he works out with the FSA rehabilitation supervisor for his county. This plan usually calls for the production of enough vegetables, milk, eggs, and meat to feed the family and for enough feed and forage crops to take care of the livestock. Ordinarily it also provides for at least two cash crops. The county supervisor is glad to advise the borrower on crop rotations, erosion control, livestock and equipment purchases, marketing, and other farm problems.

2. Emergency Rehabilitation Loans

In areas stricken by drought, flood, hurricanes, or in other unforeseen emergencies, farmers often need small loans quickly to save their crops or provide feed for their livestock. In such cases the Farm Security Administration provides limited sums immediately, without taking time to draw up a farm-management plan. Later on, emergency borrowers usually apply for standard loans, and farm-management plans are worked out to provide for the repayment of the entire indebtedness.

3. Community Service Loans

When a group of low-income farmers needs equipment or services which no one of them can afford by himself, the Farm Security Administration makes a cooperative or community serv-

ice loan to the group. In this way, farmers in the same neighborhood can get together to buy a tractor, a combine, pure-bred sires, veterinary services, spraying equipment, and many other things which a single farmer could not afford alone.

Before the loan is made, each member of the group signs an agreement, showing how much he will pay for his part of the use of the equipment or service. Repayment of the loan is made from these sums.

Since these loans are intended to help in the rehabilitation of low-income farmers, most of the members of the group usually are standard rehabilitation borrowers.

Loans also are made to individual farmers to enable them to take part in existing cooperative associations not financed by Farm Security Administration. In this way low-income farmers can get the benefit of cooperative creameries, elevators, oil stations, and other such organizations in their neighborhood.

4. Medical Aid Loans

Frequently farmers have difficulties in making ends meet because of sickness in their families. In many counties throughout the country, local medical associations have helped organize group health programs to provide medical care for low-income farm families at a cost which they can afford. Wherever such programs are in operation, Farm Security Administration is willing to loan money to enable farm families to take part in them, if such service is necessary to their rehabilitation.

5. Tenant Purchase Loans

Congress has authorized the Farm Security Administration to make a limited number of

loans each year to help tenants, sharecroppers, and farm laborers to buy land of their own. These loans are made only in certain counties designated by the Secretary of Agriculture, on recommendation of the State FSA Advisory Committees. Ordinarily these are the counties where tenancy is most widespread or is growing most rapidly.

Tenant purchase loans are large enough to enable the borrower to buy a farm and, if necessary, to repair the buildings or put up new ones. They are repayable over a period of 40 years at 3-percent interest.

Applicants must be American citizens who live in one of the designated counties and who do not own farms. Preference is given to those who own the livestock and equipment necessary to operate a farm or who are able to make a down payment and to persons who are married or have dependent families.

Each borrower has a wide choice in selecting the farm he wishes to purchase; but it should be a family-size farm, which can be operated with the labor available in the family.

County committees, each consisting of three farmers, decide which applicants shall receive loans, on a basis of character, ability, and farming experience.

6. Farm Debt Adjustment

For farmers overburdened with debt, the Farm Security Administration provides a means by which their debts can be adjusted to their capacities to pay. It is available to all farmers, whether or not they take part in other phases of the Farm Security Administration program.

A local farm debt adjustment committee meets with the debtor and his creditors for a discussion of their mutual problems. Often it is possible

to reach an agreement for extending the time of payment, reducing interest rates, scaling down the debt, or refinancing part of it through a Farm Security Administration rehabilitation loan. In this way the farmer is saved from foreclosure, and the creditors get substantial payments on what might otherwise have been bad debts.

Similar adjustments are made on group debts, such as those incurred under irrigation or drainage contracts.

These farm debt adjustment committees have no legal authority to force an adjustment; they merely conduct friendly meetings to help the farmer and his creditors work out an agreement satisfactory to both parties. All proceedings are held in strict confidence.

Up to January 1, 1939, nearly 95,000 farm families had been helped through such debt adjustments. The total reduction in their debts was more than \$80,000,000. This service also resulted in the payment of more than \$5,000,000 in back taxes to local governmental agencies.

7. Tenure Improvement

Since money is not available to help all tenants become farm owners, the Farm Security Administration is attempting to eliminate some of the worst evils of the present tenancy system. In cooperation with State agricultural colleges and other local agencies, it is encouraging better leasing arrangements for the 2,865,000 families who are working as tenants and sharecroppers.

Emphasis is placed on long-term or renewable contracts and on agreements which will encourage the tenant to protect the soil and improve the property.

Flexible farm-lease forms have been prepared to fit the laws and customs of every State. They are obtainable free at every FSA office, and FSA

county supervisors will be glad to assist in drawing them up.

The tenure-improvement services of FSA are available to all farmers, whether or not they are receiving other help from the agency.

8. Homesteads Projects

The Farm Security Administration has completed about 140 projects, which provide homesteads for more than 10,000 farm families. Some of the projects were set up in exhausted mining or lumbering areas to provide a livelihood for families who might otherwise have been permanently dependent on relief. Others were established to demonstrate better methods of farming and economic organization.

No two projects are quite alike. A few are small communities equipped with their own schools, cooperative stores, and other facilities such as cooperative cotton gins. Most of these projects are made up of individual family-size farms.

In setting up these projects, FSA developed new methods of construction which make it possible to build good four- and five-room houses for as little as \$1,000 to \$1,500. The building plans are available to all farmers and contractors. They may be obtained from the Extension Service of most State agricultural colleges.

9. Camps for Migrant Farm Families

During the last 10 years, thousands of families—particularly in the so-called “Dust Bowl”—have been forced off the land by drought and windstorms. In addition, many thousands of tenant families have been pushed off farms because the use of machinery has to a large extent been substituted for human labor.

Most of these families are trying to earn a living as wandering farm laborers—usually as har-

vest hands in the fruit, cotton, truck-farming, and beet districts. The greatest numbers have found their way to the West Coast States, the Rio Grande Valley, and certain sections of Florida. They seldom have homes other than makeshift camps, without sanitary facilities or even a good water supply. Often such camps are a health menace, both to the migrants and to the communities in which they live.

To help remedy this situation, the Farm Security Administration has built 14 migratory labor camps along the West Coast, and is planning additional camps in other areas. They consist of tent platforms, sanitary facilities, and sometimes a clinic and a school. They are open to all migrant families so long as there is room for them. Residents contribute a few hours of labor each week to the upkeep of the camp and pay a small rental.

10. Grants

In cases of extreme need, the Farm Security Administration makes small grants to farm families for the purchase of food, fuel, and other urgent necessities. Ordinarily grants are made only in areas stricken by drought, flood, or other disasters, where immediate aid is needed to prevent starvation. Every effort is made to help families who receive grants to get on a self-supporting basis as soon as possible, usually by means of rehabilitation loans.

How to Apply for FSA Aid

Any farmer who is interested in applying for the loans or services of the Farm Security Administration should call at the nearest county supervisor's office. If the applicant is eligible for help, the supervisor will be glad to go over his case and help him make out his application.